

KEVIN V. RYAN (CSBN 118321)
 United States Attorney
 JOANN M. SWANSON (CSBN 88143)
 Chief, Civil Division
 CHINHAYI J. COLEMAN (CSBN 194542)
 JONATHAN U. LEE (CSBN 148792)
 Assistant United States Attorneys

450 Golden Gate Avenue, Box 36055
 San Francisco, California 94102-3495
 Telephone: (415) 436-7073
 FAX: (415) 436-6748

Attorneys for Defendant, UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

CALIFORNIA INSURANCE
 GUARANTEE ASSOCIATION,

Plaintiff,

v.

UNITED STATES OF AMERICA,

Defendant.

No. C 03-01451 SC
(Consolidated with C 03-2120 SC)

STIPULATION AND ~~PROPOSED~~
 ORDER APPROVING COMPROMISE
 SETTLEMENT OF CASE C 03-01451

IT IS HEREBY STIPULATED by and between Plaintiff California Insurance Guarantee
 Association ("CIGA" or "Plaintiff") and Defendant United States of America, as follows:

STIPULATION AND [PROPOSED] ORDER APPROVING COMPROMISE SETTLEMENT
 C 03-01451 SC

1 1. The parties do hereby agree to settle and compromise California Insurance
2 Guaranty Association v. United States, Northern District of California case number C 03-01451
3 SC, under the terms and conditions set forth herein.

4 2. Defendant United States of America agrees to pay to Plaintiff CIGA the sum of
5 five thousand dollars and no cents (\$5,000.00), which sum shall be in full settlement and
6 satisfaction of any and all claims, demands, rights, economic losses, and causes of action of
7 whatsoever kind and nature, arising from and by reason of any and all known and unknown,
8 foreseen and unforeseen bodily and personal injuries resulting, and to result, from the same
9 subject matter that gave rise to California Insurance Guaranty Association v. United States,
10 Northern District of California case number C 03-01451 SC and Shenia Chavers v. United
11 States, Northern District of California case number C 03-02120 SC, for which Plaintiff CIGA or
12 its successors or assigns, and each of them, now have or may hereafter acquire against the United
13 States of America, its agencies, agents, servants, and employees.

14 3. Plaintiff CIGA and its successors and assigns hereby agree to accept the sum
15 listed in paragraph 2 in full settlement and satisfaction of any and all economic losses, claims,
16 demands, rights, and causes of action of whatsoever kind and nature, arising from, and by reason
17 of any and all known and unknown, foreseen and unforeseen, bodily and personal injuries and the
18 consequences thereof which they may have or hereafter acquire against the United States of
19 America, its agencies, agents, servants and employees on account of the same subject matter that
20 gave rise to California Insurance Guaranty Association v. United States, Northern District of
21 California case number C 03-01451 SC and Shenia Chavers v. United States, Northern District
22 of California case number C 03-02120 SC.

23 4. This stipulation for compromise settlement shall not constitute an admission of
24 liability or fault on the part of the United States, its agencies, agents, servants, or employees, and
25 is entered into by the parties for the purpose of compromising disputed claims and avoiding the
26 expenses and risks of litigation.

27 5. This Agreement may be pled as a full and complete defense to any subsequent
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1 action or other proceeding involving any person or party which arises out of the claims released
2 and discharged by the Agreement.

3 6. It is also understood by and among the parties that, pursuant to Title 28, United
4 States Code, Section 2678, attorneys' fees for services rendered in connection with this action
5 shall not exceed 25 percent of the amount of the compromise settlement.

6 7. Payment of the settlement amount to Plaintiff CIGA will be made by a check
7 drawn on the Grant Northern Insurance Company for five thousand dollars and no cents
8 (\$5,000.00) and made payable to California Insurance Guarantee Association.

9 8. In consideration of this Agreement and the payment of the foregoing amounts
10 thereunder, Plaintiff CIGA agrees that upon notification that the settlement check is ready for
11 delivery, it will deliver to Defendant's counsel a fully executed Notice of Dismissal with
12 prejudice of California Insurance Guaranty Association v. United States, Northern District of
13 California case number C 03-01451 SC. Upon delivery of the Notice of Dismissal, Defendant's
14 counsel will release the settlement check to Plaintiff's counsel or its agents.

15 9. Plaintiff CIGA has been informed that payment will be made within sixty days of
16 full execution of the settlement agreement and the delivery of a completed Form W-9 (Request
17 for Taxpayer Identification Number and Certification).

18 10. The parties agree that should any dispute arise with respect to the implementation
19 of the terms of this Agreement, Plaintiff shall not seek to rescind the Agreement and pursue its
20 original causes of action. Plaintiff's sole remedy in such a dispute is an action to enforce the
21 Agreement in district court. The parties agree that the district court will retain jurisdiction over
22 this matter for the purposes of resolving any dispute alleging a breach of this Agreement.

23 11. The settlement of this district court case does not affect CIGA's rights against
24 Shenja Chavers in California State workers compensation proceedings. CIGA reserves its right
25 to assert a credit against Shenja Chavers in California State workers compensation proceedings
26 for any recovery that Shenja Chavers receives in the companion case Shenja Chavers v. United
27 States, Northern District of California Case Number C 03-2120 SC, pursuant to California Labor

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Code Section 3850 et seq.

12. Plaintiff hereby releases and forever discharges the United States and any and all of its past and present officials, employees, agencies, agents, attorneys, their successors and assigns, from any and all obligations, damages, liabilities, actions, causes of action, claims and demands of any kind and nature whatsoever, whether suspected or unsuspected, at law or in equity, known or unknown, arising out of the allegations set forth in the pleadings in California Insurance Guaranty Association v. United States, Northern District of California case number C 03-01451 SC and Shenia Chavers v. United States, Northern District of California case number C 03-02120 SC.

13. The provisions of California Civil Code Section 1542 are set forth below:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Plaintiff CIGA, having been apprised of the statutory language of Civil Code Section 1542 by its attorneys, and fully understanding the same, nevertheless elects to waive the benefits of any and all rights it may have pursuant to the provision of that statute and any similar provision of federal law. Plaintiff CIGA understands that, if the facts concerning Plaintiff CIGA's damages or Shenia Chavers' injuries and the liability of the government for damages pertaining thereto are found hereinafter to be other than or different from the facts now believed by them to be true, the Agreement shall be and remain effective notwithstanding such material difference.

14. This instrument shall constitute the entire Agreement between the parties, and it is expressly understood and agreed that the Agreement has been freely and voluntarily entered into by the parties with the advice of counsel, who have explained the legal effect of this Agreement. The parties further acknowledge that no warranties or representations have been made on any subject other than as set forth in this Agreement. This Agreement may not be

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1 altered, modified or otherwise changed in any respect except by writing, duly executed by all of
2 the parties or their authorized representatives.


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4 HANNA BROPHY, ET AL.

5 Dated: August 3, 2005

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BRETT GILSTRAP
Attorneys for Plaintiff California Insurance
7 Guarantee Association

8 Dated: August 3, 2005

9 KEVIN V. RYAN
United States Attorney

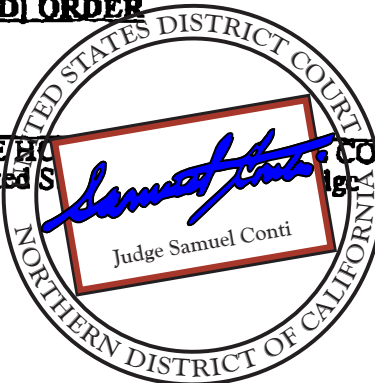
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11 CHINHAYI J. COLEMAN
JONATHAN U. LEE
Assistant United States Attorneys
12 Attorneys for Defendant

13 **[PROPOSED] ORDER**

14 APPROVED AND SO ORDERED.

15 Dated: 8/3/05

16 THE HONORABLE
United States District Judge



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18 Judge Samuel Conti
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